



Transportation Finance Issues: Transportation fund

How does Wisconsin fund transportation?

Wisconsin's segregated, unified Transportation Fund is unique

- The state's Transportation Fund is considered a "segregated fund" because it puts transportation revenues into a separate account apart from other revenues the state collects that are deposited into the General Fund.
- This account is the sole source of funding for all transportation modes – highways, air, rail, transit, harbors, bicycle and pedestrian facilities. It also funds the Division of Motor Vehicles and the Wisconsin State Patrol.
- No General Fund revenues are used for transportation in Wisconsin.

Transportation Fund money comes from taxes and fees collected from transportation system users

- Transportation system user fees include:
 - Highway user fees such as state and federal gas taxes, vehicle registration fees, driver license fees and motor carrier fees
 - Aviation taxes and fees such as aircraft registration fees, general aviation fuel taxes and the property tax on air carriers
 - Railroad taxes such as the tax on rail property

Most state transportation revenue comes from the state gas tax

- About 60% of all transportation revenue comes from state sources. More than 92% of this is generated from the state gas tax (28.1 cents per gallon) and vehicle registration fees (a flat \$45 for automobiles).

- Wisconsin's reliance on the state gas tax and vehicle registration fees is one of the narrowest transportation revenue bases in the country.
- State lawmakers made the decision to rely on gas taxes and registration fees intentionally to ensure that users of the transportation system pay for it.
- Federal dollars are extremely important. Federal funds provide more than 30% of the transportation funding in Wisconsin. These funds are raised primarily through the federal gas tax (18.4 cents per gallon).
- A small amount of revenue (9.4%) is derived from interest earnings and other funds, such as the payments local governments make for individual transportation projects.

Where the Dollars Come From 2001-03 Transportation Revenue Sources Total: \$4.56 Billion

